

Message Text

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PAGE 01 EC BRU 07444 212117Z

64

ACTION EUR-25

INFO OCT-01 ISO-00 NEA-10 AID-20 CEA-02 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02 SPC-03

STR-08 TRSE-00 LAB-06 SIL-01 OMB-01 PM-07 NSC-10

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FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 6197

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION NATO

USMISSION OECD PARIS

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TAGS: ENRG, EEC

SUBJECT: SIMONET PRESS CONFERENCE ON OIL SITUATION

REF: EC BRUSSELS 7417

1. IN A LONG PRESS CONFERENCE ON DECEMBER 20, EC COMMISSION VICE PRESIDENT HENRI SIMONET, WHO IS RESPONSIBLE IN THE COMMISSION FOR ENERGY MATTERS, MET WITH THE PRESS FOR THE FIRST TIME IN SEVERAL MONTHS. (HE HAD ALSO SPOKEN BEFORE THE AMERICAN AND COMMON MARKET CLUB IN BRUSSELS ON DECEMBER 18 AND MADE MANY OF UNCLASSIFIED

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PAGE 02 EC BRU 07444 212117Z

THE SAME POINTS HE COVERED IN HIS MEETING WITH THE PRESS.)

IN HIS REVIEW OF THE OIL SITUATION IN THE COMMUNITY AND IN ANSWERING QUESTIONS FROM JOURNALISTS, SIMONET WAS RATHER PESSIMISTIC AND MADE THE FOLLOWING COMMENTS OF INTEREST:

2. THE SECRETARY'S PROPOSAL FOR AN ENERGY ACTION GROUP. HE MADE THE POINT, WHICH HE REPEATED LATER TO THE AMBASSADOR (REFTEL), THAT THE SECRETARY'S PROPOSAL WAS SIMILAR TO THOSE MADE BY THE COMMISSION TO THE COUNCIL LAST MAY AND JULY WHEN IT CALLED FOR INTERNATIONAL COOPERATION AMONG CONSUMER COUNTRIES AND BETWEEN CONSUMER AND PRODUCER COUNTRIES. HE SAID HE WELCOMED THE SECRETARY'S PROPOSAL BUT THOUGHT SOME MEMBER STATES WOULD BE SOMEWHAT HESITANT BECAUSE OF FEAR THAT GREATER US ECONOMIC STRENGTH AND LESSER US DEPENDENCE ON OIL IMPORTS WOULD LEAD TO DIVERGENT VIEWS ON COOPERATION. HE ALSO SUGGESTED THAT ABSENCE OF A COMMON EC ENERGY POLICY INCREASES THE DIFFICULTY OF COOPERATING ON A WIDER INTERNATIONAL BASIS.

3. AGREEMENTS WITH PRODUCER GOVERNMENTS. A DESIRE TO GO IT ALONE COULD LEAD SOME MEMBER STATES TO SEEK BILATERAL COOPERATION AGREEMENTS WITH ARAB STATES, SAID SIMONET. THIS WOULD BE DANGEROUS FOR EUROPE BECAUSE IT WOULD LEAD TO OVERTBIDDING AND UNNECESSARY COMPETITION AMONG THE MEMBER STATES. TO AVOID SUCH A DEVELOPMENT, THE COMMISSION WAS DRAWING UP FOR SUBMISSION TO THE COUNCIL NEXT MONTH SOME PROPOSALS CALLING FOR LONG-TERM COOPERATION AGREEMENTS BETWEEN THE COMMUNITY AND THE OIL-PRODUCING COUNTRIES.

4. DIVERGENT VIEWS WITHIN THE COMMUNITY. SIMONET ACKNOWLEDGED THAT EFFORTS TO REACH A COMMON ENERGY POLICY HAVE THUS FAR BEEN UNSUCCESSFUL AND THAT MEMBER STATES HAVE NOT BEEN "MOTIVATED BY EXCESSIVE WILLINGNESS" TO DISPLAY SOLIDARITY. HE SAID THERE HAVE BEEN TWO POINTS OF VIEW: SOME MEMBER STATES HAVE FELT SECRET DIPLOMACY BETWEEN THEMSELVES AND THE ARABS WAS THE BEST WAY TO ENSURE SUPPLIES WHILE OTHERS, AND THE COMMISSION, HAVE URGED THAT THE COMMUNITY ACT AS A WHOLE. ON THESE POINTS, SIMONET SAID "ATTEMPTS TO SECURE THE LIFTING OF THE OIL EMBARGO BY SECRET DIPLOMACY ARE NOT SUFFICIENT," AND "IF WE CANNOT COME OUT OF THE PETROLEUM CRISIS WITH A MINIMUM OF COMMUNITY SPIRIT, IT WILL BE VERY DIFFICULT STILL TO SPEAK OF A EUROPEAN SOLUTION; ON THE CONTRARY, THE EC WILL THEN BE NOTHING

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PAGE 03 EC BRU 07444 212117Z

MORE THAN AN UMBRELLA UNDER WHICH WE WILL SEEK SHELTER WHEN THE WIND BLOWS."

5. ROLE OF THE INTERNATIONAL OIL COMPANIES. SIMONET REFERRED TO THE INTERNATIONAL COMPANIES AS "MOTORS OF DEVELOPMENT FOR THE INDUSTRIALIZED COUNTRIES" AND SAID THEY HAVE BROUGHT ABOUT A BENEFICIAL INTERNATIONALIZATION OF ECONOMIC LIFE. HOWEVER, HE SAID, WE NEED TO KNOW MORE ABOUT THEIR OPERATIONS IN ORDER TO MEET

CRISES SUCH AS THIS; WE NEED INFORMATION ON THEIR PLANS FOR
RESEARCH AND INVESTMENT AND INFORMATION ON THEIR MOVEMENTS OF OIL.
IN CONNECTION WITH THE REQUIREMENT OF INFORMATION, HE NOTED THE
DIFFICULT POSITION OF AMERICAN COMPANIES WHICH ARE
PROHIBITED BY ANTI-TRUST LEGISLATION FROM PROVIDING SUCH
INFORMATION EXCEPT IN THE CONTEXT OF OECD.
GREENWALD

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